

IC 5-10.3-3

Chapter 3. The Board of Trustees

IC 5-10.3-3-1

Composition; appointment; vacancies

Sec. 1. (a) The board is composed of six (6) trustees.

(b) Five (5) of the trustees shall be appointed by the governor, as follows:

(1) One (1) must be a member of the fund with at least ten (10) years of creditable service.

(2) Not more than three (3) may be members of the same political party.

(3) One (1) must be:

(A) a:

(i) member of the fund or retired member of the fund; or

(ii) member of a collective bargaining unit of state employees represented by a labor organization; or

(B) an individual who is:

(i) an officer or a member of a local, a national, or an international labor union that represents state or university employees; and

(ii) an Indiana resident.

(c) The director of the budget agency or the director's designee is an ex officio voting member of the board. An individual appointed under this subsection to serve as the director's designee:

(1) is subject to the provisions of section 3 of this chapter; and

(2) serves as a permanent designee until replaced by the director.

(d) The governor shall fill by appointment vacancies on the board in the manner described in subsection (b).

(e) In making the appointments under subsection (b)(1) or (b)(2), the governor may consider whether at least one (1) trustee is a retired member of the fund under subsection (b)(3)(A)(i).

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.36-1996, SEC.1; P.L.246-2001, SEC.9; P.L.62-2005, SEC.4.

IC 5-10.3-3-2

Term of office

Sec. 2. Term of Office. Each trustee is entitled to serve a term of four (4) years beginning on July 1 following appointment and until his successor is qualified.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-3-3

Oath of office; qualification for membership

Sec. 3. Oath of Office; Qualification for Membership. Each trustee shall take an oath of office, which must be:

(1) subscribed to by the trustee making it;

(2) certified by the officer before whom it is taken; and

(3) filed with the secretary of state.

A trustee is qualified for membership on the board when the oath is filed with the secretary of state.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-3-4

Compensation

Sec. 4. (a) Each trustee who is not a state officer or employee is entitled to receive reimbursement for necessary expenses actually incurred through service on the board.

(b) Each trustee who is a state officer or employee is entitled to reimbursement for necessary expenses actually incurred through service on the board.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.25-1994, SEC.6; P.L.62-2005, SEC.5.

IC 5-10.3-3-5

Meetings

Sec. 5. (a) The board shall hold an annual meeting each November and regular meetings at least quarterly in each year. Special meetings may be held as considered necessary by the board.

(b) Meetings may be held in the general office or in such other places in the state as are designated by the board.

(c) All meetings must be open to the public. The board shall keep a record of its proceedings.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.28-1984, SEC.4.

IC 5-10.3-3-6

Voting; quorum

Sec. 6. Four (4) trustees constitute a quorum for the transaction of business. Each trustee is entitled to one (1) vote on the board. A majority vote is sufficient for adoption of a resolution or other action at regular or special meetings.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.62-2005, SEC.6.

IC 5-10.3-3-7

Duties

Sec. 7. The board shall do all of the following:

- (1) Appoint a director, subject to the approval of the governor.
- (2) Appoint an actuary and employ or contract with employees, auditors, technical experts, legal counsel, and other service providers as it considers necessary to transact the business of the fund, without the approval of any state officer.
- (3) Fix the compensation of persons:
 - (A) appointed or employed by the board; or
 - (B) who contract with the board.
- (4) Establish a general office in Indianapolis for board meetings and for administrative personnel.
- (5) Provide for the installation in the general office of a

complete system of books, accounts including reserve accounts, and records in order to give effect to all the requirements of this article and to assure the proper operation of the fund.

(6) Provide for a report at least annually, before June 1, to each member of the amount credited to him in the annuity savings account in each investment program under IC 5-10.2-2.

(7) With the advice of the actuary, adopt actuarial tables and compile data needed for actuarial studies which are necessary for the fund's operation.

(8) Act on applications for benefits and claims of error filed by members.

(9) Have the accounts of the fund audited annually by the state board of accounts.

(10) Publish for the members a synopsis of the fund's condition.

(11) Adopt a budget on a calendar year or fiscal year basis that is sufficient, as determined by the board, to perform the board's duties and, as appropriate and reasonable, draw upon fund assets to fund the budget.

(12) Expend money, including income from the fund's investments, for effectuating the fund's purposes.

(13) Establish personnel programs and policies for its employees.

(14) Submit a report of its activities each year to the governor, the pension management oversight commission, and the budget committee before November 1 of each year. The report under this subdivision must set forth a complete operating and financial statement covering its operations during the most recent fiscal year, including information on the following:

(A) Investment performance.

(B) Investment and administrative costs as a percentage of assets under management.

(C) Investment asset allocation strategy.

(D) Member services.

(E) Member communications.

(15) Establish a code of ethics or decide to be under the jurisdiction and rules adopted by the state ethics commission.

As added by Acts 1977, P.L.53, SEC.3. Amended by Acts 1979, P.L.17, SEC.6; P.L.35-1985, SEC.20; P.L.5-1990, SEC.7; P.L.119-2000, SEC.4.

IC 5-10.3-3-7.1

Annual analysis of fund

Sec. 7.1. The board shall annually analyze for internal control purposes the fund's;

(1) income and expenditures;

(2) actuarial condition;

(3) reserve accounts;

(4) investments; and

(5) such other data as necessary to interpret the fund's condition and the board's administration of the fund.

As added by Acts 1979, P.L.17, SEC.7.

IC 5-10.3-3-8

Powers

Sec. 8. (a) The board may do any of the following:

(1) Establish and amend rules and regulations:

(A) for the administration and regulation of the fund and the board's affairs; and

(B) to effectuate the powers and purposes of the board; without adopting a rule under IC 4-22-2.

(2) Make contracts and sue and be sued as the board of trustees of the public employees' retirement fund of Indiana.

(3) Delegate duties to its employees.

(4) Enter into agreements with one (1) or more insurance companies to provide life, hospitalization, surgical, medical, dental, vision, long term care, or supplemental Medicare insurance, utilizing individual or group insurance policies for retired members of the fund, and, upon authorization of the respective member, deduct premium payments for such policies from the members' retirement benefits and remit the payments to the insurance companies.

(5) Enter into agreements with one (1) or more insurance companies to provide annuities for retired members of the fund, and, upon a member's authorization, transfer the amount credited to the member in the annuity savings account to the insurance companies.

(6) For the 1977 police officers' and firefighters' pension and disability fund, deduct from benefits paid and remit to the appropriate entities amounts authorized by IC 36-8-8-17.2.

(7) Whenever the fund's membership is sufficiently large for actuarial valuation, establish an employer's contribution rate for all employers, including employers with special benefit provisions for certain employees.

(8) Amortize prior service liability over a period of forty (40) years or less.

(9) Recover payments made under false or fraudulent representation.

(10) Exercise all powers necessary, convenient, or appropriate to carry out and effectuate its public and corporate purposes and to conduct its business.

(b) An agreement under subsection (a)(4) may be for a duration of three (3) years.

(c) This subsection does not apply to investments of the board. A contract under subsection (a)(2) may be for a term of not more than five (5) years, with an ability to renew thereafter.

(d) The board's powers and the fund's powers specified in this chapter shall be interpreted broadly to effectuate the purposes of this chapter and may not be construed as a limitation of powers.

As added by Acts 1977, P.L.53, SEC.3. Amended by Acts 1977(ss), P.L.1, SEC.2; P.L.35-1985, SEC.21; P.L.43-1991, SEC.4;

P.L.22-1998, SEC.7; P.L.119-2000, SEC.5; P.L.61-2002, SEC.7; P.L.183-2003, SEC.1.

IC 5-10.3-3-9

Director; duties

Sec. 9. (a) The director is the executive officer in charge of the administration of the fund's detailed affairs.

(b) The director shall:

- (1) receipt for payments made to the fund and deposit them with the treasurer of state or a custodian for the fund's account;
- (2) sign vouchers for the payment of money from the fund as authorized by the board;
- (3) perform other duties assigned by the board; and
- (4) execute a corporate surety bond in an amount specified by the board, the premium on the bond to be paid by the board.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.46-1988, SEC.1; P.L.5-1990, SEC.8.

IC 5-10.3-3-10

Actuary; duties

Sec. 10. The Actuary. The actuary is the technical advisor on the operation of the fund. The actuary shall perform the duties specified in this article and in IC 5-10.2 and all other duties assigned by the board.

As added by Acts 1977, P.L.53, SEC.3.